

HED Property Owners
Association Directors

Russell Joyner
President
TrizecHahn

Raubi Sundher
Vice President
Guinness World of
Records/ Hollywood
Wax Museum

Sheila Holincheck
Secretary
Vineyard LLC

Joel Fisher
Treasurer
The Palace

Aaron Epstein
Patio Property Co.

Chris Bonbright
Whitley Court Partners

Ed Collins
Buena Vista Pictures

Donelle Dadigan
Fax Factor Bldg.

Pietra DuBuclet
Meringoff Equities

David Gajda
Hollywood Software

William Hertz
Mann Theatres

Kathy Ketchum
LA Gay & Lesbian
Center

Nathan Korman
1723 Wilcox

John Tronson
Tronson Investment
Group

Monica Yamada
CIM Group

Honorary Directors:
Captain Mike
Downing
LAPD - Hollywood

Leron Gubler
Hollywood Chamber
of Commerce

Kerry Morrison
Executive Director



February 8, 2001

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Property Owners Association
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TO: Karen Kalfayan
Office of the City Clerk

FROM: Kerry Morrison
Executive Director
Hollywood Entertainment District POA

SUBJECT: Fourth Quarter
October 1, 2001 through December 31, 2001

As is required in our Agreement with the City of Los Angeles, I am submitting our Fourth Quarter Report to summarize key activities of the Hollywood Entertainment District. This report covers both BIDs – Phase I and Phase II. The activities will generally refer to the entire District, unless activities specific to one of the Phases are important to highlight.

I. Operational Issues

- The Association held its annual meeting on November 15, 2001. At this meeting, new directors were elected, and officer elections were held. New officers are: Russ Joyner, Hollywood & Highland, president; Raubi Sundher, Hollywood Wax Museum, vice president; Sheila Holincheck, Gilmore Associates, secretary; Joel Fisher, The Palace, treasurer.
- The court order in the *Epstein v. HEDPOA, City of Los Angeles* case was signed by the court in October. The HEDPOA was ordered to pay \$85,000 in legal fees to the plaintiff, Aaron Epstein. The city of Los Angeles reimbursed the HEDPOA 50 percent of this amount (\$42,500) as they were a co-defendant. The court order also requires that the Association obtain competitive bids on all contracts in excess of \$30,000 and one-time services in excess of \$10,000. This order remains intact until the BID expires in December, 2003.
- The Board reimbursed property owner Joseph Blum (Phase I/Orchid Avenue) for a \$5,900 assessment that was levied in 1999 that had been negated by the Advisory Board at that time, owing to the fact that his property was isolated from BID services by the TrizecHahn construction.
- A Budget Working Group, chaired by Treasurer Joel Fisher, met twice in December to work on a proposed budget for 2002. The budget was

presented at the December 20, 2001 meeting. The \$2.25 million budget assumes a \$110,000 delinquency.

- The Board asked the Executive Director to pursue a line of credit to help bridge the gap between end of year and the onset of the new BID. There will be a gap because the city will not release funds until the new contract is signed. Also, because the old BIDs are expiring, these funds cannot be rolled over into January operations, as has been the case in previous years.

II Security

- New Year's Eve: The HEDPOA Board registered its discontent with an event promoted by a local charity/nightclub promoter for New Year's Eve. A letter was sent to Councilmember Garcetti on November 16 expressing the Board's concerns about the proposed street closure for New Year's Eve and the Board's opposition to the street closure. A special meeting of the Board was called on December 13, 2001 to discuss the New Year's Eve closure. The event promoters attended the meeting. As a result of this meeting, a community information meeting was held the following week on December 18 at the Ivar Theatre. At this meeting, affected stakeholders were also given the opportunity to ask questions of the event promoters.
- A petition signed by 27 food establishments, sent to Councilmember Garcetti, requesting that the city enforce the street vending ordinance on Halloween was ignored by the council office. On Halloween night, there were in excess of 53 hot dog vendors on the Boulevard.
- The Board took advantage of funds that arrived in the Phase I account (from delinquencies) to beef up security during the final two months of the year. The Board voted at its 11/15/01 meeting to add a "late night" detail in Phase I until 1:00 a.m. An "early morning" patrol (commencing at 6:00 a.m.) was deployed for two mornings a week. Additionally, the Board authorized resources to support an undercover operation, if requested by LAPD, which would allow deployment of eight officers for six hours, one night a week, during December. The LAPD did take advantage of HED security to support an undercover narcotics surveillance during one night in December.
- The Board approved a month-to-month extension of the contract with Burke Security in December. The security contract will be re-bid after the first of the year.

III Streetscape Issues

- The Request for Proposal for the District's maintenance contract was mailed to 10 cleaning contractors in October. A pre-bid meeting with five interested contractors was held on October 25, 2001. Four proposals were submitted by the deadline on November 15, 2001 and three were interviewed on December 4. The committee recommended extending the contract with California Street Maintenance. That recommendation was endorsed at the December board meeting.
- With respect to budgeting for and negotiating the new maintenance contract, it was pointed out to the Board that the 2001 expense for maintenance amounted to approximately \$704,000 and the budget for 2002 was going to be \$616,420. (The CSM proposal, in response to the RFP, amounted to \$712,976.) The services will have to be cut, and Morrison recommended that a portion of the special landscape and maintenance projects be paid for from the HED Phase I and Phase II Special Projects Fund, which will consist of funds rolled over from 2001 to the new BID. The Committee also recommended to the Board that CSM offer its employees three paid sick-leave days per year, with the proviso that if the days are not used, the employee will receive the cash. That will result in a \$4,896 additional cost, which must be factored into the contract. The contract will be brought back to the board for review after the first of the year.
- At the 12/20/01 meeting, the Board approved a \$60,694 contract with Hollywood Beautification Team to remove 29 Ficus Trees and plant 25 Jacaranda trees. The expenses will be paid from the HCIP grant.

IV Marketing Issues

- In the wake of 9/11, the HEDPOA Board authorized a contribution of \$10,000 toward a "drive-market" advertising campaign, to be coordinated by the LA Convention and Visitor's Bureau.
- Spectak/Fox withdrew its interest in promoting a Halloween event for 2002, citing security concerns and economic infeasibility.
- UPN News featured a segment on its October 23 broadcast which highlighted the positive trends of nightclubs and nightlife returning to the Hollywood BID area.
- Economics Research Associates completed its economic benchmarking study, for the 1996-2000 period.

- A four minute video tape, outlining the situation that arises on Halloween night, was prepared by the BID using a combination of news footage, police video and home video. The video tape will be used in the future to press for a ban on the sales of silly string, an enforcement of food vending laws, and to encourage professional promoters to consider organizing an event to serve the approximately 75,000 people that show up.
 - As a result of the confusion and frustration arising from the New Year's Eve event, the Board discussed the need for a special task force, comprise of Chamber representatives and local city council offices, to work on a proposed policy for street closures on Hollywood Boulevard. That task force would meet after the first of the year.
- V Other
- The HEDPOA paid its final \$2,000 installment toward the California BID Coalition, the group organized to write and secure passage of AB 1021.